

# South Carolina Board of Economic Advisors

## Statement of Estimated State Revenue Impact

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**Date:** February 12, 2008

**Bill Number:** H.B. 4444

**Authors:** Taylor; Bowen; Knight; Leach; Littlejohn, *et. al.*

**Committee Requesting Impact:** House Ways & Means Committee

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### Bill Summary

A bill to amend Section 12-36-2120, as amended, of the Code of Laws of South Carolina, 1976, relating to sales tax exemptions, so as to move the date of the annual August sales tax holiday to the Friday, Saturday, and Sunday before the third Monday in August.

### REVENUE IMPACT <sup>1/</sup>

This bill is not expected to have an impact on state general fund revenue in FY2008-09.

### Explanation

This bill would amend Section 12-36-2120(57)(a) to change the start date of the August sales tax holiday from a period beginning 12:01 a.m. on the first Friday in August and ending at twelve midnight the following Sunday, to a three-day weekend beginning on the Friday before the third Monday in August. In calendar year 2008, this would move the start date of the August sales tax holiday two weeks later in the month to August 15 through 17, 2008. Act 260 of 2006 enacted a uniform school start date beginning with the 2007-08 school year of not before the third Monday in August, except for schools operating on a year-round modified school calendar. Based on the Board of Economic Advisors' (BEA) February 11, 2008 General Fund revenue estimate, the August sales tax holiday is expected to reduce sales and use tax revenue by an estimated \$2,800,000 in FY2008-09. The change of the start date of the August sales tax holiday by two weeks would still result in an expected reduction of \$2,800,000 in FY2008-09. The BEA, therefore, would not change its revenue estimate because of this legislation. This bill is not expected to have an impact on state general fund revenue in FY2008-09.

/s/ WILLIAM C. GILLESPIE, PH.D.

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Chief Economist

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<sup>1/</sup> This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.